



**Public Hearing Testimony of  
Sharon Palmer, Commissioner  
Department of Labor  
Transportation Committee  
March 8, 2013**

Good Afternoon Senator Maynard, Representative Guerrero, Senator Stillman, Representative Mikutel, Senator Boucher, Representative Scribner and members of the Transportation Committee. Thank you for the opportunity to provide you with testimony regarding ***House Bill 6560, AAC Owner-Operators of Certain Vehicles***. My name is Sharon Palmer and I am the Labor Commissioner.

I am here to speak about the concept underlying this bill. This bill would acknowledge that certain drivers of vehicles over 10,000 pounds, meeting certain specific requirements, would be considered independent contractors for purposes of the Unemployment Compensation Act. The bill currently contains a provision allowing an operator to enter into a lease arrangement with a contracting entity for the use of a substitute motor vehicle to perform services in the event that the operator's primary motor vehicle is being serviced or repaired. The Department is opposed to this language as it contradicts the concept underlying the bill; to exempt from unemployment compensation coverage operators who provide services utilizing a vehicle that they either own or lease, provided any lease arrangement, loan or loan guarantee is commercially reasonable and is not with the contracting entity, or any related entity.

DOL is currently working collaboratively with interested parties to see if we may reach a consensus on language. In order to reach agreement, the provision allowing an operator to enter into a lease arrangement with a contracting entity for the use of a substitute motor vehicle must be removed. Thank you for the opportunity to provide this testimony.